

# Directors' Remuneration Report

This report has been prepared in accordance with the requirements of Schedule 7A to the Companies Act 1985 incorporating the Directors' Remuneration Report Regulations 2002. An ordinary resolution for the approval of the report will be put to stockholders at the AGM on 30 January 2009.

## Remuneration Committee

The company has a remuneration committee whose terms of reference include setting the fees of the directors. The full terms of reference are posted on the company's website. The committee is chaired by Hamish Buchan and the other members are Douglas McDougall and James MacLeod. The committee agreed that the fees for the chairman and directors should be maintained at current levels.

## Policy on Directors' Fees

At the year end the board consisted of five directors, all of whom are non-executive. Directors' fees are set with a view to attracting individuals of appropriate calibre and experience, taking into account the time commitment required and the level of fees paid by similar investment trusts. It is intended that this policy will apply for the year to 31 October 2009 and to subsequent years. The directors do not receive bonuses, share options, long-term incentives, pension or other benefits.

## Directors' Emoluments (audited)

Fees	Year to 31 October 2008 £	Year to 31 October 2007 £
Douglas McDougall	40,000	40,000
Sir George Mathewson	24,000	24,000
Francis Finlay	24,000	24,000
Hamish Buchan	24,000	24,000
James MacLeod	24,000	24,000
Hamish Leslie Melville	–	6,000
	<b>136,000</b>	<b>142,000</b>

Hamish Leslie Melville retired from the board on 26 January 2007. His fees were paid to Credit Suisse Securities (Europe) Limited. The other directors received their fees personally.

## Service Contracts

The directors do not have service contracts. They have letters of appointment for fixed terms of not more than three years which can be renewed but there is no notice period and no compensation is payable on early termination. All directors are subject to retirement by rotation and re-election subject to stockholders' approval at intervals of not more than three years.

## Company Performance

The graph below shows the company's five year stock price total return compared to the notional total return of the FTSE All-Share Index over the same period.

This index has been chosen as it is a common performance comparator for companies such as SIT.



Source : Datastream

## Approval

The directors' remuneration report was approved by the board on 8 December 2008 and signed on its behalf by the chairman of the remuneration committee.

Hamish Buchan  
Director  
8 December 2008